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C O N F I D E N T I A L SECTION 01 OF 02 KYIV 001342

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SUBJECT: UKRAINE: LAST WEEK OF RADA STARTS OFF BADLY

Classified By: Ambassador for reasons 1.4(b,d).

- 11. (C) Summary. Party of Regions on July 8 shook up the planned agenda for the Rada's last week in plenary by moving forward with efforts to hold a no confidence vote on Prime Minister Tymoshenko. In response, her BYuT faction blocked the Rada rostrum and Speaker Yatsenyuk was forced to close the Rada session for the day. In the halls of the Rada, rumors swirled about the likelihood of the no confidence vote successfully passing. Regions MP Miroshnychenko told us that his faction was unsure how many votes they had. BYuT MP Kurpil told us he thought there might be as many as ten BYuT MPs who had been "persuaded" to support Regions in the vote, while a BYuT aide told us that she had heard Regions had bought sufficient coalition support for its no confidence resolution. If the resolution is put on the agenda, Tymoshenko will have ten days to present a report to the Rada on her government's performance. If the Rada then votes no confidence, her Cabinet goes into acting status. The next steps would likely be subject to debate, with the viability of the current coalition in question, and the President's powers to dismiss the Rada constitutionally limited.
- 2.(C) Comment. What happens next? Most people we talked to agreed that Yushchenko and Our Ukraine do not want to face early Rada elections -- neither OU nor United Center has a good shot at gaining seats, at minimum the faction will be much smaller, and Yushchenko cannot handle another electoral defeat ahead of the presidential elections. That being said, he may be trying to discredit Tymoshenko, while stalling talks with Regions, and looking for an option that leaves him with a PM who is neither Tymoshenko nor Yanukovych. For its part, Regions may be increasing the pressure on the President and his faction in hopes of getting the broad coalition they have long sought. It still remains very possible that the Rada will simply remain mired in fighting through the summer recess, delaying resolution of these political struggles until the fall. End summary and comment.

No-Confidence is the Goal

13. (SBU) Party of Regions announced the morning of July 8 that it would insist Speaker Yatsenyuk consider their resolution to hold a no-confidence vote on Prime Minister Tymoshenko and threatened to block the Rada rostrum if Yatsenyuk did not comply. Instead, BYuT MPs blocked the Rada, and after two and a half hours of recess, the Speaker closed the session for the day. Kyrylenko told the press that BYuT MPs would block the session hall until the Rada considered budget amendments prepared by the Cabinet. Yatsenyuk called faction leaders to his office to try to find a compromise, but later told the press that although he thought there were enough votes to dismiss Tymoshenko (placing her in acting status), he did not believe there were enough to form a new coalition and that a resolution to the political stand-off would therefore be postponed until the fall.

14. (C) Regions MP Miroshnychenko told us that his faction was indeed trying to push the no confidence vote forward. He pointed to the copy of the constitution he was carrying and said he was putting together the constitutional argument for why Regions was justified in its demands. However, he confided that no one really knew whether they had 226 votes to pass the no-confidence resolution. There were official negotiations and negotiations being conducted in the hall, he said, but only when the vote was held would they see the level of support. For example, the Communists were not cosponsoring Regions' resolution, so Regions did not know how they would vote. (Note. Several people told us that Regions had filled it seats today, a sign that they were preparing for an important vote. End note.) Regions MP Chechetov told the press that they had more than enough votes to dismiss Tymoshenko.

Has the Coalition Lost its Votes?

¶5. (C) BYuT MP Kurpil confirmed to us that Regions was working hard on the no confidence motion and that he was worried that as many as ten BYuT MPs might have been "persuaded" to defect, although he was not sure about that. An aide from BYuT later told us that Regions had bought enough votes to secure the non confidence vote; it was just a question of when the vote would be held. Kurpil said that although the government and BYuT had made getting budget amendments passed the top priority for the week, the amendments were not on the agenda because Yushchenko did not want them passed. If the budget were amended, this would allow the government to keep working, and the President did

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not want the PM to succeed. Instead, he wanted a new coalition, but one without Yanukovych. Kurpil thought Yushchenko would try to put forward Defense Minister Yekhanurov or Chief of Staff Baloha as nominee to be PM, although he thought Yatsenyuk might be offered up as a compromise. If Yatsenyuk were made PM, this would clear the path for Lytvyn to reclaim the Speaker's chair.

16. (C) However, Kurpil said that Regions was pushing the no confidence vote now to pressure the President and OU. If the government was dismissed, the 60-day clock would begin to tick on forming a new government. Regions would then use this timeline to threaten undecided members of Our Ukraine — either they could join a broad coalition or they would face new Rada elections, and would likely lose their seats. (Note. This comment jives with what a lot of political contacts — MPs, NSDC officials — told us at the Embassy's Fourth of July reception. They believed that there was a good possibility that neither Our Ukraine nor United Center could cross the three-percent threshold in pre-term elections, and Yushchenko was doing everything he could to avoid new elections. End note.)

What Might Happen Next

17. (SBU) On a procedural note, if the resolution to hold a no confidence vote passes, Tymoshenko has ten days in which to give a presentation on her government's work to the Rada, either in person or in writing. If the Rada puts the resolution on the Rada's agenda on July 9, the PM should have until the end of the following week to respond -- July 18 is the last day of the Rada's spring session. There has already been discussion by Rada members that the last week of the session should be plenary work, although that is not what is on the calendar. Yatsenyuk told the press that he would support the Rada holding an extra week of plenary only if there was a concrete and widely-agreed upon agenda. However, if the Rada remains logjammed and cannot hold the vote until after July 9, they would potentially have to vote to hold an extraordinary session to consider the no confidence motion.

- 18. (SBU) The dismissal of Tymoshenko's government would affect only the status of the Cabinet, not the Rada coalition. (Only the Speaker can declare the coalition terminated.) The constitution says the coalition must form a new government within 60 days. Such a scenario would undoubtedly bring up the debate again as to whether the coalition exists at that time, as well as expose the fact that even if it exists de jure, it is unlikely to have 226 votes to confirm a new PM. If the coalition is found declared terminated, the Rada has 30 days to form a new coalition. The constitution says violation of these timelines is grounds for the President to disband the Rada, but his hands are tied by the constitutional provision that says he cannot disband the parliament for a year following pre-term elections (which were held September 30, 2007). Therefore, as Yatsenyuk says, there is a good chance that resolution of the political stalemate will be postponed until the fall.
- 19. (U) Visit Embassy Kyiv's classified website: www.state.sgov.gov/p/eur/kiev.
 TAYLOR